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RESIDUES AND LEAD CONCENTRATES
TREATMENT CONTRACT

THIS AGREEMENT, made as of the 1st day of April, 1958, by and between AMERICAN SMELTING AND REFINING COMPANY, a corporation organized and existing under the laws of the State of New Jersey (hereinafter designated as "Asarco"), and THE ANACONDA COMPANY, a corporation organized and existing under the laws of the State of Montana (hereinafter designated as "Anaconda"),

W I T N E S S E T H:

WHEREAS, Anaconda desires to deliver to Asarco for treatment by Asarco:

- (a) the residues from the electrolytic zinc plant of the Great Falls Reduction Department and from the electrolytic zinc plant of the Anaconda Reduction Department of Anaconda, containing silver, lead, zinc, copper, gold, and other metals (hereinafter referred to as "residues"), and
- (b) the lead concentrates produced at the zinc concentrating mill of Anaconda at Anaconda, Montana (hereinafter referred to as "lead concentrates"); and

WHEREAS, Asarco is willing to receive and treat the said residues and lead concentrates of Ana-



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conda and to redeliver to Anaconda its current production of blast furnace slag and to sell to Anaconda certain of its slag accumulated in place, all on the terms and conditions hereinafter set forth; and

WHEREAS, the parties accordingly desire to enter into a toll treatment contract, to be effective April 1, 1958, on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and the interchange of promises and covenants, as hereinafter set forth, it is agreed as follows:

I. TERMS APPLICABLE TO RESIDUES

1. Tonnage: Anaconda agrees to ship to the plant of Asarco at East Helena, Montana, its entire production of residues up to a tonnage of ten thousand (10,000) dry tons per calendar month, and Asarco agrees to accept for treatment all such shipments of residues up to such tonnage. If the residues produced by Anaconda exceed 10,000 dry tons in any one calendar month Anaconda may, at its option, ship the excess production to the Tooele, Utah, plant of International Smelting and Refining Company. If

Anaconda does not desire to ship such excess production to said Tooele plant, then Asarco is hereby granted the option to require the delivery of all or any part of such excess on the terms hereinafter set forth.

It is understood that Anaconda does not guarantee the production or delivery of any specific tonnage of residues hereunder, but, as aforesaid, will ship and deliver hereunder, currently and regularly as produced, such production of residues as it may make in its operations, which are deliverable for treatment to Asarco as hereinabove provided.

2. Analysis: The expected approximate average analysis of residues to be delivered hereunder is as follows:

<u>Oz/Ton</u>		<u>%</u>							
<u>Au</u>	<u>Ag</u>	<u>Pb</u>	<u>Cu</u>	<u>Ins</u>	<u>Fe & Mn</u>	<u>Zn</u>	<u>As</u>	<u>Sb</u>	<u>Bi</u>
0.14	30.	10.0	1.0	12.5	23.5	14.	0.45	0.05	0.02

It is agreed that the moisture content of the residues will be maintained at approximately the same level as in the past, and that the moisture content will be controlled insofar as possible so as to permit handling at the East Helena plant of Asarco without dusting.

3. Base Treatment Charge: Asarco agrees to treat the residues belonging to Anaconda for a base treatment charge calculated as follows:

BASE
CHARGE:

Six dollars and fifty cents (\$6.50) per dry ton for residues resulting from that process known as the "mechanical acid leach," or from corresponding stage in electrolytic zinc process, and containing ten per cent (10%) zinc or more, and based on fifteen per cent (15%) lead by wet assay.

For each unit of lead above fifteen per cent (15%) by wet assay, deduct ten cents (10¢) per dry ton from the Base Charge, and for each unit under fifteen per cent (15%) add ten cents (10¢) per dry ton to the Base Charge, fractions in proportion.

In case the quotation for common desilverized lead delivered in New York City, as published by the Engineering and Mining Journal of New York, for the date of delivery of the residues at the plant of Asarco shall be in excess of six cents (6¢) per pound, deduct from the Base Charge twenty-five cents (25¢) per dry ton for each one cent (1¢) by which such quotation exceeds six cents (6¢) per pound, fractions in proportion; and in case such quotation shall be less than six cents (6¢) per pound, add to the Base Charge fifteen cents (15¢) per dry ton for each one cent (1¢) by which such quotation shall be less than six cents (6¢) per pound, fractions in proportion.

In case the silver content of the residues shall exceed fifty (50) troy ounces per dry ton, deduct one and one-half cents

(1-1/2¢) per dry ton from the Base Charge for each ounce over fifty (50), fractions in proportion. In case the silver content shall fall below forty (40) troy ounces per dry ton, add to the Base Charge one and one-half cents (1-1/2¢) per dry ton for each ounce below forty (40), fractions in proportion.

In case the zinc content of the residues, based on a monthly composite average of all residues delivered during any calendar month, shall be less than eleven per cent (11%), add to the Base Charge fifty cents (50¢) per dry ton of residues for each one per cent (1%) deficiency, fractions in proportion.

ANTIMONY: Five-tenths of one per cent (0.5%) free, charge for excess at two dollars (\$2.00) per unit, fractions in proportion.

ARSENIC: One and one-half per cent (1-1/2%) free, charge for excess at two dollars (\$2.00) per unit, fractions in proportion.

BISMUTH: Should the bismuth content of the residues averaged over any calendar month exceed five one-hundredths of one per cent (0.05%) of the lead content, the excess shall be penalized at one dollar (\$1.00) per pound of bismuth, fractions in proportion; or, should Asarco not wish to treat such residues and collect the penalty, Asarco may cancel the contract on giving sixty (60) days' notice, unless during said sixty (60) day period the bismuth content shall be reduced to five one-hundredths of one per cent (0.05%) or less of the lead content; and, should Asarco treat the residues containing bismuth in excess of the five one-hundredths of one per cent (0.05%) of the lead content, and the penalty collected should exceed one dollar (\$1.00) per ton of residues, Anaconda shall have the right to cancel the contract upon giving sixty (60) days' notice.

4. Returnable Metals: It is agreed that Asarco will make the following payments for and dispositions of the metals obtained from the treatment by it of the residues belonging to Anaconda:

GOLD: Ninety-two per cent (92%) of the gold contained in the residues, if two one-hundredths (0.02) of an ounce or over, shall be paid for at the monthly arithmetical average of the daily official quotations for purchase of domestic gold by the United States, less five cents (5¢) per ounce, payable in respect of the gold content of residues received in the corresponding month. The gold so paid for shall be of domestic origin. Anaconda shall furnish Asarco with such affidavits or other proof in respect to the origin of such gold content or otherwise as Asarco may reasonably require to enable it to dispose of such gold in accordance with Governmental requirements or regulations. All dealings in gold in the United States, including the acquisition, melting, treating, holding, transporting, selling to the United States Mints, or other disposition thereof, are now subject to control by the United States Government, pursuant to Acts of Congress, and Regulations and Executive Orders issued thereunder. Accordingly, it is agreed that if Asarco shall be directed by the Government to refrain from any such dealings in connection with any of the gold in or obtained from the residues, by reason of Anaconda's failure to comply with Governmental requirements, or for any other reason, Asarco shall have the right to withhold payment therefor and to retain such gold for return to Anaconda, or for such other disposition as the Government may require, free from any liability to account to Anaconda for the value thereof.

SILVER: If one troy ounce per dry ton or over, pay for ninety-five per cent (95%) on the basis of the "Mint price" as defined in the Silver Schedule attached hereto and expressly made

a part hereof, except as therein otherwise provided. Nothing paid for silver if assaying less than one troy ounce per dry ton.

If, however, Anaconda shall so elect, the price payable for the silver content of the residues shall be based on the average of the Handy & Harman New York quotations for silver for the calendar week following the date of delivery at the plant of Asarco, provided, however, that written notice of such election shall be given to Asarco prior to said date of delivery, and further, that if, during said calendar week, in the sole judgment of Asarco, the market for silver for three (3) months' forward delivery shall be inadequate, and Asarco shall so notify Anaconda, said price shall be based on the average of the Handy & Harman New York quotations for silver for the calendar week including the ninetieth (90th) day following said date of delivery. In case Handy & Harman shall discontinue publishing quotations for silver, then the New York quotations for silver as published by the Engineering and Mining Journal shall govern.

LEAD: Deduct from the wet lead assay one and one-half (1.5) units and account for ninety per cent (90%) of the remaining lead by returning refined lead to Anaconda as provided in clause 15 hereof. No lead will be accounted for if less than five per cent (5%) by wet assay.

COPPER: Deduct from the wet copper assay fifteen (15) pounds per dry ton and pay for one hundred per cent (100%) of the remaining copper at the net refinery domestic quotation for electrolytic wire bars, as published in the Engineering and Mining Journal of New York, for the date of delivery of the residues at the plant of Asarco, less a deduction of seven cents (7¢) per pound of copper accounted for.

ZINC: In case the zinc content of the residues, based on a monthly composite average of all residues delivered during any calendar

month, shall exceed sixteen per cent (16%), pay fifty cents (50¢) per dry ton of residues for each one per cent (1%) of the excess, fractions in proportion.

No payment will be made for any metal or content, except as above specified.

5. Additional Charge for Excess Tonnage of Residues: If the total dry tons of sulphide lead ores and concentrates containing forty per cent (40%) lead or more received by Asarco at its East Helena plant during any calendar month, from all sources, shall be less than the dry tons of residues received from Anaconda during that month, Anaconda shall pay to Asarco an added treatment charge of One Dollar (\$1.00) for each dry ton of residues received in excess of the total dry tons of such sulphide lead ores and concentrates.

If, during any calendar month, the total dry tons of such sulphide lead ores and concentrates received at the East Helena plant of Asarco shall be greater than the total dry tons of residues received from Anaconda during that month, such excess tonnage of sulphide lead ores and concentrates shall be carried over as receipts in the next succeeding month (but only in such month) for the purpose of offsetting an excess of residue receipts in such succeeding month,

in computing the added treatment charge provided for in the preceding paragraph.

II. TERMS APPLICABLE TO LEAD CONCENTRATES

6. Tonnage: Anaconda agrees to ship to the plant of Asarco at East Helena, Montana, its entire production of lead concentrates produced at the zinc concentrating mill of Anaconda at Anaconda, Montana, up to a tonnage of one thousand five hundred (1,500) dry tons per calendar month, and Asarco agrees to accept for treatment all such shipments of lead concentrates up to such tonnage. If the lead concentrates produced by Anaconda exceed one thousand five hundred (1,500) dry tons in any one calendar month, Anaconda may, at its option, ship the excess production to the Tooele, Utah, plant of International Smelting and Refining Company. If Anaconda does not desire to ship such excess production to said Tooele plant, then Asarco is hereby granted the option to require the delivery of all or any part of such excess on the terms hereinafter set forth.

It is understood that Anaconda does not guarantee the production or delivery of any specified tonnage of lead concentrates hereunder, but, as aforesaid, will ship and deliver hereunder regularly

and currently as produced, such production of said lead concentrates as it may make in its operations, which are deliverable to Asarco as hereinabove provided.

7. Analysis: The expected approximate average analysis of lead concentrates to be delivered hereunder is as follows:

<u>Oz/Ton</u>		<u>%</u>							
<u>AU</u>	<u>AG</u>	<u>Pb</u>	<u>Cu</u>	<u>Ins</u>	<u>Fe & Mn</u>	<u>Zn</u>	<u>As</u>	<u>Sb</u>	<u>Bi</u>
0.25	55.	45.0	7.5	1.5	10.0	10.0	1.5	0.1	0.06

8. Base Treatment Charge: Asarco agrees to treat the lead concentrates belonging to Anaconda for a base treatment charge calculated as follows:

BASE CHARGE:

Six dollars and fifty cents (\$6.50) per dry ton for lead concentrates containing fifteen per cent (15%) lead by wet assay. For each unit of lead above fifteen per cent (15%) by wet assay, deduct ten cents (10¢) per dry ton from the Base Charge, and for each unit under fifteen per cent (15%), add ten cents (10¢) per dry ton to the Base Charge, fractions in proportion.

In case the quotation for common desilverized lead delivered in New York City, as published by the Engineering and Mining Journal of New York, for the date of delivery of the lead concentrates at the plant of Asarco shall be in excess of six cents (6¢) per pound, deduct from the Base Charge twenty-five cents (25¢) per dry ton for each one cent (1¢) by which such quotation exceeds six cents (6¢) per pound, fractions in proportion; and in case such quotation shall be less

than six cents (6¢) per pound, add to the Base Charge fifteen cents (15¢) per dry ton for each one cent (1¢) by which such quotation shall be less than six cents (6¢) per pound, fractions in proportion.

In case the silver content of the lead concentrates shall exceed fifty (50) troy ounces per dry ton, deduct one and one-half cents (1-1/2¢) per dry ton from the Base Charge for each ounce over fifty (50), fractions in proportion. In case the silver content shall fall below forty (40) troy ounces per dry ton, add to the Base Charge one and one-half cents (1-1/2¢) per dry ton for each ounce below forty (40), fractions in proportion.

ANTIMONY: Five-tenths of one per cent (0.5%) free, charge for excess at two dollars (\$2.00) per unit, fractions in proportion.

ARSENIC: One and one-half per cent (1-1/2%) free, charge for excess at two dollars (\$2.00) per unit, fractions in proportion.

BISMUTH: Five one-hundredths of one per cent (0.05%) of the lead content free, charge for excess at fifty cents (50¢) per pound of bismuth, fractions in proportion.

COPPER
DEFICIENCY: If the copper content should average less than three and seventy-five hundredths per cent (3.75%) for any calendar month, Anaconda shall pay a penalty on all lead concentrates delivered during that month at the rate of eighty cents (80¢) per ton of concentrates for each one per cent (1%) copper below three and seventy-five hundredths per cent (3.75%), fractions in proportion.

9. Returnable Metals: It is agreed that Asarco will make the following payments for and dispositions of the metals obtained from the treatment

by it of the lead concentrates belonging to Anaconda:

GOLD,
SILVER

and LEAD: Same as for residues.

COPPER: Deduct from the wet copper assay fifteen (15) pounds per dry ton and pay for one hundred per cent (100%) of the remaining copper at the net refinery domestic quotation for electrolytic wire bars, as published in the Engineering and Mining Journal of New York for the date of the delivery of the lead concentrates at the plant of Asarco, less a deduction of six cents (6¢) per pound of copper accounted for.

No payment will be made for any metal or content except as above specified.

III. TERMS APPLICABLE TO BOTH RESIDUES
AND LEAD CONCENTRATES

10. Delivery: Anaconda shall deliver for treatment all residues and lead concentrates delivered hereunder f.o.b. railroad cars at unloading bins of the plant of Asarco at East Helena, Montana. All shipments shall be made in dump-bottom, open-top cars when it is possible to procure such cars in satisfactory condition, and when such cars are not available, such shipments shall be made in open-top, flat-bottom cars.

11. Variations in Cost of Employment: The Base Treatment Charges specified in clauses 3 and 8

hereof are predicated on the wage scale, working hours, wage differentials, shift differentials, vacation and overtime provisions, payroll taxes, workmen's compensation, group insurance premiums, pension costs, and all other costs and expenditures of whatsoever name and nature paid to or on behalf of the employees at the East Helena plant of Asarco of one dollar and ninety-three and five-tenths cents (\$1.935) per man-hour, being the average cost per man-hour for the months of August and September, 1950, adjusted to give effect to the wage increase which became effective during October, 1950. Any increase or decrease in the amounts of such expenditures, or any added expenditures which result in an increase in the cost to Asarco for each man-hour of employment, whether by reason of increase in base rate of wages, increased vacations, or other wage or working conditions imposed by contract between Asarco and its employees or by any Government agency or otherwise, shall be taken into account by the addition or subtraction, as the case may be, of three cents (3¢) per dry ton to or from the Base Treatment Charges for each one cent (1¢) increase or decrease in the cost of employment per man-hour, fractions in proportion. The cost of employment per man-hour at said plant shall be determined on a calendar month basis by dividing the total cost of employment as defined in this clause 11 by the total

man-hours worked at said plant in that month.

Any such increase or decrease in the Base Treatment Charges shall be applicable to residues and lead concentrates delivered to the plant of Asarco during and after the first calendar month following the month in which such increase or decrease in the average man-hour cost of employment shall become effective.

12. Fuel Differential: This contract is based on a cost of coke delivered at the plant of Asarco at East Helena, Montana, of seventeen dollars and fifty-nine cents (\$17.59) per ton. In case such delivered cost shall be increased, there shall be added to the Base Treatment Charges specified in clauses 3 and 8 hereof fifteen cents (15¢) per ton for each one dollar (\$1.00) per ton increase in such cost, fractions in proportion; and should such cost be decreased, there shall be deducted from such Base Treatment Charges fifteen cents (15¢) per ton for each one dollar (\$1.00) per ton decrease in such cost, fractions in proportion. Any adjustment made pursuant to this clause shall be applicable to residues and lead concentrates delivered during and after the first full calendar month in which such change shall become effective.

13. Toll Residues: In the event that total

treatment charge applicable to zinc plant residues delivered for treatment hereunder shall be increased because of increases in the cost of employment and/or of fuel as provided for herein to a point where the supplier of zinc concentrates to Anaconda under a contract in effect as of October 26, 1950 between Anaconda and the United States Smelting, Refining and Mining Company, as well as any succeeding contract containing substantially the same terms, for treatment on a toll basis, exercises its contractual rights to buy back the residues produced from its concentrates, for treatment at its own plant, Anaconda may withhold shipment hereunder of such tonnage of residues; provided, however, that Asarco may, if it so elects, waive the last increase in treatment charge on such tonnage of residues which caused the supplier to exercise such contractual rights.

14. Bullion Freight: This contract is based upon a published freight-rate on lead bullion from East Helena, Montana, to New York City of twenty-one dollars and eighty-four cents (\$21.84) per ton. Any increase or decrease in such freight-rate in effect on the date of delivery of residues or lead concentrates, as the case may be, at the East Helena plant of Asarco shall be for account of Anaconda, and proper deduction or credit to the extent of the lead accounted for shall

be made accordingly.

15. Return of Refined Lead: Asarco shall deliver to Anaconda f.o.b. railroad cars at its refinery at Omaha, Nebraska, within sixty (60) days after the delivery of the residues or lead concentrates to the East Helena plant of Asarco, a quantity of refined lead equivalent to the lead content to be accounted for as provided in clause 4 or 9 hereof, as the case may be, less a deduction of eight (8) pounds of lead per ton of lead to be so accounted for. The quantity of refined lead so deliverable is hereinafter referred to as "returnable refined lead."

Returnable refined lead shall be in the form of common desilverized lead containing not more than one-tenth of one per cent (0.1%) bismuth.

Asarco agrees to cast such refined lead in moulds provided by Anaconda if Anaconda so requires. Any such moulds shall be of a size and design which will fit Asarco's casting machine.

Returnable refined lead shall be shipped by Asarco for account of Anaconda to such destination as may be specified by Anaconda. Any tonnage of refined lead due for return hereunder for which Asarco shall not have received shipping instructions from Anaconda shall be placed in storage for the account and risk of Anaconda at the Omaha refinery of Asarco.

Shipments of refined lead from stock (over and above shipments of refined lead currently returnable) shall not exceed seventy-five (75) tons on any one day.

If the freight and refining-in-transit rate, plus federal taxes thereon, from the East Helena plant to the place of delivery exceeds the rate, plus taxes, from said East Helena plant to New York City, then such excess shall be paid by Anaconda; but if the freight and refining-in-transit rate, plus federal taxes thereon, from said East Helena plant to the place of delivery is less than the rate, plus taxes, to New York City, then the difference shall be credited to Anaconda.

Anaconda shall also pay Asarco a refining and freight charge of one and five thousand and fifty-eight ten-thousandths of a cent (1.5058¢) per pound of returnable refined lead, plus or minus the following adjustments:

(a) There shall be added to or subtracted from said refining and freight charge a sum equal to the amount of the bullion freight adjustment provided for in clause 14 hereof, calculated in terms of cents per pound of returnable refined lead. For this purpose, the amount per pound of returnable refined lead shall be determined by dividing the amount of the adjustment per

ton of lead bullion by one thousand nine hundred and seventy-six (1976).

(b) There shall be added to said refining and freight charge the amount of any federal tax levied on or measured by said bullion freight calculated on the basis of cents per pound of returnable refined lead in the manner aforesaid.

(c) Said refining and freight charge is based upon the average hourly wage (including wages for overtime labor but excluding vacation pay and the wages of foremen and men on construction work) paid at the Omaha refinery of Asarco during the months of July, August, September, and October, 1946, and the difference between said average hourly wage and the average hourly wage paid at said refinery during any calendar month thereafter shall be for the account of Anaconda in respect to the returnable refined lead attributable to residues and lead concentrates delivered at the East Helena plant of Asarco during and after the second following calendar month. To adjust the refining and freight charge Asarco will charge or credit Anaconda one hundred seventy-seven one-hundred-thousandths of a cent (0.00177¢) per pound of returnable refined lead for each one cent (1¢) per hour that the average hourly wage so paid shall be in excess of or less than said basic average hourly wage,

fractions in proportion.

(d) Said refining and freight charge is also based upon a price of Prime Western zinc of eight and one-quarter cents ($8-1/4\%$) per pound f.o.b. East St. Louis, Illinois, and the difference between said basic zinc price and the average price for Prime Western zinc at East St. Louis for any calendar month shall be for the account of Anaconda in respect to the returnable refined lead attributable to residues and lead concentrates delivered to the East Helena plant of Asarco during the next following calendar month. To adjust the refining and freight charge, Asarco will charge or credit Anaconda seven hundred and nine one-hundred-thousandths of a cent (0.00709%) per pound of returnable refined lead for each one cent (1%) that the average zinc price shall be in excess of or less than said basic price of eight and one-quarter cents ($8-1/4\%$) per pound, fractions in proportion.

(e) This differential shall be based upon the arithmetical average of the indices for (1) fuel, power and lighting materials, (2) chemicals and allied products, (3) metals and metal products, and (4) nonmetallic minerals--structural, as published by the Bureau of Labor Statistics of the

United States Department of Labor in respect to residues and lead concentrates delivered to the East Helena plant of Asarco. Any time the arithmetical average of those indices shall exceed sixty-seven and four-tenths (67.4), the refining and freight charge hereinabove specified shall be increased three hundred and four one hundred-thousandths of a cent (0.00304%) per pound of returnable refined lead for each one-point increase in said average index above sixty-seven and four-tenths (67.4), fractions in proportion. In applying this differential, the average index to be used in respect to returnable refined lead attributable to residues and lead concentrates delivered to the East Helena plant of Asarco during any calendar month shall be the average index for the third preceding calendar month.

Settlements in connection with the refining and freight charge shall be made at the same time as settlements are made under clause 18 hereof in connection with the residues or lead concentrates to which the returnable refined lead is attributable, and the term "returnable refined lead attributable" to any lot of residues or lead concentrates shall mean a tonnage of refined lead calculated

as herein provided.

16. Weighing and Sampling: Weighing and sampling (at which a representative of Anaconda may be present), as done by Asarco according to standard practice promptly after receipt of residues or lead concentrates, will be accepted as final. The absence of a representative of Anaconda shall be deemed a waiver of the right in each instance. After sampling, the residues or lead concentrates may be placed in process, commingled, or otherwise disposed of by Asarco. Residues and lead concentrates shall be sampled separately, and in the case of residues, samples from four carloads may be combined to form a single sample for assay, but no single assay sample shall represent more than two hundred (200) dry tons of residues. At least three pulp samples shall be prepared, one of which shall be used by Asarco for assay, another of which shall be given to Anaconda for assay, and the third, to be known as the "umpire pulp sample," shall be sealed by Asarco and Anaconda and retained in a suitable place in the possession of Asarco for use of an umpire as hereinafter provided.

17. Splitting and Assaying: The assays of Asarco shall be completed and reported to Anaconda

within ten (10) days after the arrival of the residues or lead concentrates at the East Helena plant of Asarco. Gold and silver analysis shall be made by fire assay. The copper assay shall be made by the iodide method, and the assay for zinc, lead, bismuth, arsenic, and antimony shall be made by the standard, approved wet methods. The splitting limits on assays shall be as follows:

Gold	0.01 ounce per dry ton
Silver	0.4 ounce per dry ton
Lead	0.4%
Copper	0.1%
Zinc	0.4%
Bismuth	0.002%
Arsenic	0.05%
Antimony	0.05%

If assays are not within the splitting limits, the umpire pulp sample shall be sent, in rotation, to one of three firms of umpire assayers chosen by agreement of the parties. The assay of the umpire shall control unless higher than the higher or lower than the lower of the parties, in which case the assay of the party nearer the umpire shall control. The cost of umpire determination shall be borne by the party whose submitted result is farther from the umpire.

18. Settlements: Payment based on the average of the assays of Asarco and of Anaconda shall

be made to Anaconda within fifteen (15) days after the delivery of such residues or lead concentrates at the East Helena plant of Asarco. In case any adjustments in payments become necessary by results from the check of the assaying of the samples by the umpire, payment shall be made according to such adjustment immediately after the report of the umpire has been made.

19. Suspension of Quotations. In the event of a suspension of quotations for any cause, resulting in the absence of quotations for the period or date specified in this contract as applicable to any lot of residues or lead concentrates, the quotations to be used in the case of each such lot will be those which would be applicable if the date of arrival of the material at the plant of Asarco occurred that number of days after the date of actual arrival as shall equal the total number of days during which quotations were suspended; and settlement will be made in respect to any metal or metals so affected as soon as such deferred quotations are available, if settlement shall then be due.

IV. TERMS APPLICABLE TO SLAG

20. Tonnage and Delivery of Current Slag. Asarco hereby agrees to deliver and Anaconda

hereby agrees to accept the entire quantity of lead blast furnace slag (including slag produced from the residues and lead concentrates treated by Asarco for Anaconda as provided in Articles I and II hereof) currently produced during the period of this agreement at Asarco's East Helena plant (hereinafter referred to as "current slag") up to a maximum of five hundred (500) tons per day; provided, however, that Anaconda shall not be obligated to accept or receive slag at such times as the slag treatment plant of Anaconda located on property leased from Asarco at East Helena, Montana (hereinafter sometimes called the "slag treatment plant") may be necessarily shut down for clean-up, repairs, remodeling or other contingencies incident to the operation of a metallurgical plant, and further, that Anaconda may at its option accept and receive hereunder any current slag which may be produced in excess of five hundred (500) tons per day. Nothing herein contained shall be construed to require Asarco to produce blast furnace slag for delivery to Anaconda in any minimum quantity or of any standard quality, and Asarco hereby expressly reserves the right to operate one or more blast furnaces intermittently or continuously and to suspend such operation from time to time. It is

understood and agreed, however, that Asarco will endeavor to produce slag which will pour readily from delivery pots into the furnace of Anaconda and which will not result in production of excessive amounts of ladle sculls during period of delivery from furnace of Asarco to furnace of Anaconda. As provided in clause 21 hereof, Anaconda shall have the right to refuse to accept current slag whenever the amount of the treatment charge therefor shall be less than fifty cents (50¢) per ton, or when quality of slag is such that the handling and treatment in the facilities of Anaconda causes undue hardship to Anaconda, and during such time or times Asarco shall have the right to dispose of such slag to any other party or parties.

21. Treatment Charge for Current Slag:

Subject to the provisions of sub-clause (b) of this clause 21 the treatment charge payable to Asarco per ton of current slag delivered hereunder shall be forty-five per cent (45%) of the net value determined by the sum of the valuations less the sum of the deductions specified in sub-clause (a) of this clause 21.

(a) Formula for determining net value:

From the zinc assay deduct one and two-tenths (1.2)

units per ton of slag and value ninety per cent (90%) of the remaining zinc at the East St. Louis average quotation for Prime Western zinc, as published in the Engineering and Mining Journal of New York, for the calendar month including the date of delivery (hereinafter referred to as the "applicable zinc quotation"), less two and one-half cents (2-1/2¢) per pound when the zinc assay is seven per cent (7%) or less and the applicable zinc quotation is four cents (4¢) per pound or less.

For each one per cent (1%) that the zinc assay shall be in excess of seven per cent (7%), increase the deduction from the zinc assay one-tenth (1/10th) unit, fractions in proportion.

For each one cent (1¢) that the applicable zinc quotation shall be in excess of four cents (4¢) per pound but not in excess of ten cents (10¢) per pound, increase the deduction from the zinc quotation three-tenths of a cent (0.3¢) per pound, fractions in proportion.

For each one cent (1¢) that the applicable zinc quotation shall be in excess of ten cents (10¢) per pound, but not in excess of fifteen cents (15¢) per pound, increase the deduction from the zinc quotation four-tenths of a cent (0.4¢) per pound,

fractions in proportion.

For each one cent (1¢) that the applicable zinc quotation shall be in excess of fifteen cents (15¢) per pound, increase the deduction from the zinc quotation five-tenths of a cent (0.5¢) per pound, fractions in proportion.

Deduct a base valuation of three dollars and eighty-one cents (\$3.81) per ton of current slag, adjusted as follows:

(1) Variations in Cost of Employment: The foregoing base valuation is predicated on the wage scale, working hours, wage differentials, shift differentials, vacation and overtime provisions, payroll taxes, workmen's compensation, group insurance premiums, pensions, and all other costs and expenditures of whatsoever name or nature paid to or on behalf of the employees at the slag treatment plant of Anaconda of fourteen dollars (\$14.00) per eight (8) hour day, being the average cost per eight hour day for the months of August and September 1950, adjusted to give effect to the wage increase which became effective during October 1950. Any increase or decrease in the amounts of such expenditures or any added expenditures which result in an increase in the cost to Anaconda for each man-day of employment, whether by reason of increase in base rate of wages, increased vacations or other wage or working conditions imposed by contract between Anaconda and its employees or

by any Government agency or otherwise, shall be taken into account by the addition or subtraction, as the case may be, of one cent (1¢) per ton to or from the base valuation for each eight cents (8¢) increase or decrease in the cost of employment per eight (8) hour day, fractions in proportion.

The cost of employment per eight (8) hour day at the slag treatment plant shall be determined on a calendar month basis by dividing the total cost of employment as defined in the preceding paragraphs at said plant for the calendar month, by the total man-hours worked at said plant in that month and multiplying the result by eight (8).

(ii) Coal Adjustments: Add to or deduct from the base valuation one and eight-tenths cents (1.8¢) per ton for each ten cents (10¢) per ton that the cost of coal f.o.b. the slag treatment plant of Anaconda shall be greater or less, as the case may be, than seven dollars and twenty-five cents (\$7.25) per ton, fractions in proportion.

The parties have prepared and there is attached hereto, marked "Schedule A," a statement illustrating the application of the foregoing formula to various assumed zinc assays and zinc quotations. It is agreed that "Schedule A" may be referred to

for the purpose of determining the intent of the parties in the application of said formula but that in the event of any conflict, the provisions of this clause 21 shall govern.

(b) Minimum Treatment Charge for Current Slag: Anything herein contained to the contrary notwithstanding, Asarco shall not be obligated to deliver current slag hereunder at a treatment charge below two dollars (\$2.00) per ton. If at any time the treatment charge for current slag determined in accordance with the formula set forth above shall be less than two dollars (\$2.00) per ton, Asarco may but shall not be obligated to deliver at such lower charge. In case Asarco elects to deliver at such lower charge, Anaconda shall be obligated to accept such current slag at such lower treatment charge, but Anaconda shall not be obligated to accept and treat any current slag at a treatment charge which calculates at less than fifty cents (50¢) per ton under said formula.

22. Delivery of Current Slag: Deliveries hereunder of current slag shall be made by Asarco at its furnaces in slag pots suitable for slag handling and furnished by Anaconda, it being agreed, however, that Asarco, without cost to Anaconda, will

employ its facilities for the movement of said slag pots to and from Anaconda's slag treatment plant, where Anaconda will weigh the slag on scales furnished and maintained by it.

23. Tonnage and Delivery of Dump Slag:

Asarco further agrees to sell and Anaconda further agrees to purchase such quantity of dump slag as Anaconda may require in the operation of its slag treatment plant up to a maximum of two hundred and fifty (250) tons per day when its slag treatment plant is treating current slag as well as dump slag. Whenever Anaconda finds it necessary to treat a straight dump slag feed, it may require Asarco to sell to it such tonnage of dump slag as may be required in such straight operation by Anaconda up to a maximum of four hundred fifty (450) tons of dump slag per day. The dump slag shall be mined and removed by Anaconda from the slag dump at Asarco's said plant without any obligation on the part of Asarco to make delivery thereof; and Anaconda agrees that it will mine said dump only in the area thereof north of a line projected easterly from corner No. 4 of the property described in that certain agreement of lease between the parties hereto, dated as of the date of this agreement and executed simultaneously herewith, and

following a course which marks the southern boundary of slag the estimated average grade in zinc content of which is ten and three-tenths per cent (10.3%); that in the mining and removal of said slag it will establish a mining surface extending approximately north and south, from which it will proceed to mine slag of said estimated average grade in zinc content contained in said area of said dump; that in mining said dump it will remove the slag substantially and insofar as practicable from the ground level to the top; and that the area so cleared shall be reserved for the convenient dumping of slag by Asarco. Nothing herein contained shall be construed to prevent Asarco from removing slag from its dump and any valuable material therein contained and treating the same either for the recovery of the gold, silver, lead or copper contents thereof or for use as a flux or diluent.

24. Price of Dump Slag: Subject to the provisions of sub-clause (g) of this clause 24, the price per ton of dump slag hereunder shall be determined by adjusting a base price of seven cents (7¢) per ton (based on a zinc assay of ten per cent (10%) and a zinc quotation of six cents (6¢) per pound) as follows:

(a) Zinc Assay Adjustment: Add twenty cents (20¢) per ton for each one per cent (1%) that the zinc assay shall be in excess of ten per cent (10%), fractions in proportion.

Deduct twenty cents (20¢) per ton for each one per cent (1%) that the zinc assay shall be less than ten per cent (10%), fractions in proportion.

(b) Zinc Price Adjustment: Deduct nine thirty-seconds ($9/32$ nds) of a cent for each pound of zinc contained in the slag for each one cent (1¢) that the East St. Louis average quotation for Prime Western zinc, as published in the Engineering and Mining Journal of New York, for the calendar month including the date of delivery of the slag (hereinafter referred to as the "applicable zinc quotation") shall be less than six cents (6¢) per pound, fractions in proportion.

Add nine thirty-seconds ($9/32$ nds) of a cent for each pound of zinc contained in the slag for each one cent (1¢) that the applicable zinc quotation shall be in excess of six cents (6¢) per pound up to and including seven and one-half cents ($7-1/2$ ¢) per pound, fractions in proportion, and add thirteen thirty-seconds ($13/32$ nds) of a cent for each pound of zinc contained in the slag for each one cent (1¢) that the applicable zinc quotation shall be in excess of seven and one-half cents

(7-1/2¢) per pound, fractions in proportion.

(c) Variations in Cost of Employment:

Deduct or add fifty per cent (50%) of two cents (2¢) (i.e., one cent) per ton for each eight cents (8¢) that the average man-day employment cost at the slag treatment plant of Anaconda, determined as provided in clause 21(a)(i) hereof, for the calendar month including the date of delivery of the slag shall be greater or less, as the case may be, than fourteen dollars (\$14.00), fractions in proportion.

(d) Coal Adjustment: Deduct or add fifty per cent (50%) of three cents (3¢) (i.e., one and one-half cents) per ton for each ten cents (10¢) per ton that the cost of coal f.o.b. the slag treatment plant of Anaconda shall be greater or less, as the case may be, than seven dollars and twenty-five cents (\$7.25) per ton, fractions in proportion.

(e) Decrease in Price for Dump Slag after January 1, 1961: From the price for dump slag determined from the formula as set forth in this clause 24 and illustrated in "Schedule B", as hereinafter referred to, there shall be deducted the sum of one dollar (\$1.00) per ton of slag in making settlement for all dump slag sold and purchased

hereunder on and after January 1, 1961, as illustrated in "Schedule C" hereinafter referred to.

(f) Illustrated Price Calculation: The parties have prepared and there is attached hereto, marked "Schedule B", a statement illustrating the application of the formula set forth in this clause 24 to various assumed zinc assays and zinc quotations, up to and including December 31, 1960. Schedule C hereto attached replaces Schedule B for this purpose on and after January 1, 1961. It is agreed that Schedule B or Schedule C, as the case may be, may be referred to for the purpose of determining the intent of the parties in the application of said formula, but that in the event of any conflict the provisions of this clause 24 shall govern.

(g) Minimum Price for Dump Slag: Anything herein contained to the contrary notwithstanding, the minimum price payable for all dump slag hereunder shall be (1) if sold and purchased prior to January 1, 1961, two dollars (\$2.00) per ton, and (2) if sold and purchased on and after January 1, 1961, one dollar (\$1.00) per ton, for slag the zinc assay of which shall be ten per cent (10%) or less, plus twenty cents (20¢) per ton for each one per cent (1%) by which the zinc assay shall exceed

ten per cent (10%), fractions in proportion.

25. Disposal of Treated Slag: Slag resulting from the treatment by Anaconda of all slag hereunder shall be the property of Asarco and at the option of Asarco be either returned to Asarco in molten condition at the furnace of Anaconda or shall be returned to Asarco by placing it on a dump on that portion of the property of Asarco which Anaconda has the right to occupy and use under that certain agreement of lease between the parties hereto hereinabove mentioned, or on other property designated by Asarco which is nearby and accessible, provided, however, that all metals produced by Anaconda from slag delivered to Anaconda under paragraphs 20 and 23 hereof shall be the property of Anaconda without any payments in addition to the payment hereinabove provided.

26. Weighing, Sampling and Assaying: Both current slag and dump slag shall be weighed upon the scales of Anaconda; current slag shall be sampled by Asarco at the point of discharge from the settlers of Asarco into Anaconda's slag pots; and dump slag shall be sampled by Anaconda upon arrival at its plant, using approved methods and appliances in each instance.

From the samples so obtained each operating day, three pulp samples shall be made, one for each

party hereto and the third to be sealed by the party making the sample and retained in a suitable place for umpire assay as may be required; no single sample for assay purposes shall represent more than one day's deliveries.

All samples for assay shall be dried at a temperature of not less than 212° F. for a period of not less than twenty-four (24) hours.

In the event of any dispute or question regarding the accuracy or correctness of sampling methods, such dispute shall be referred to a referee mutually acceptable to the parties. Should the parties fail to agree on a referee, the selection of such referee shall be made by the then President of the American Institute of Mining, Metallurgical and Petroleum Engineers. The decision of the referee shall be final.

Anaconda shall use proper scales in weighing the slag and in determining the moisture samples, and it is agreed that representatives of Asarco shall have the right to inspect and check at any time any scales used by Anaconda in weighing the slag or determining the moisture content.

The assays of Anaconda shall be completed and reported to Asarco within five (5) days

after the arrival of the slag at the plant of Anaconda; and the assay for zinc shall be made by the standard approved wet methods.

Final settlement shall be made according to the average of assays found by Anaconda and Asarco from the pulp samples when the assays agree within four-tenths of one per cent (0.4%) zinc. If the assays made by Anaconda and Asarco are apart by more than said splitting limit, the assay shall be determined by an umpire assayer chosen by and agreeable to both parties. Should the umpire's result be lower than the lowest assay by either party or higher than the highest assay by either party, settlement shall be made upon the original assay nearest that obtained by the umpire. Should the umpire's result fall between, settlement shall be made according to the umpire's assay.

The party whose result is further from that of the umpire shall pay the cost of the umpire's assay. Umpire samples shall be submitted to the umpires selected in rotation. Should the result of any umpire assayer be lower than the lowest assay of the parties hereto, or higher than the highest assay of the parties hereto, on more than one-third of the samples submitted to him under this

agreement in any calendar year, the parties shall mutually agree on a new umpire.

27. Payments: Payment according to the terms hereinbefore provided shall be made by Anaconda to Asarco on or before the fifteenth day of each month for the slag delivered during the preceding month.

When any adjustments in payments become necessary as a result of the check of the assaying of the samples by the umpire, payment shall be made according to such adjustment immediately after the report of the umpire has been made.

28. Indemnity: Anaconda agrees to hold Asarco harmless from any claims for damages to third parties, arising from the operation by Anaconda of the slag treatment plant of Anaconda at East Helena, except claims for damages arising from the negligence of Asarco, its agents or employees.

V. TERMS APPLICABLE TO RESIDUES,
LEAD CONCENTRATES AND SLAG

29. Force Majeure, Impurities and Relieving Clauses: (a) In the event that either party hereto shall be prevented from carrying out the provisions of this contract by reason of strikes, floods,

fires, accidents, acts of God, acts of nature, delay in transportation, shortage of cars, war, insurrection or mob violence, shortage of electric power for the operation of the slag treatment plant of Anaconda at East Helena, Montana, or for the operation of the electrolytic zinc plants of Anaconda wherein the fume from the East Helena operation is treated, financial crises, traffic interruption, Governmental regulations, restraint or injunction or other legal process from which the party affected cannot reasonably relieve itself by giving security or other procedure, or by reason of any other cause which is beyond the control of the contracting parties or either of them, neither party hereto shall be liable to the other for damages on account of the failure or default so caused. Without limitation upon the generality of the foregoing, any cause which would produce a financial loss to either party through performance hereof, in mining, smelting, refining, or otherwise, shall entitle the party affected to suspend this contract. But it is agreed that the operation of this contract shall be resumed as soon as the intervening cause or causes shall be removed, and the period or periods of time during which the production and delivery or receipt and

treatment of residues, lead concentrates and/or slag is suspended by reason of any of the foregoing causes, up to and not exceeding a total period of one year, shall be excluded in computing the duration of this contract and this contract shall be extended accordingly.

It is further understood that the continued ability of Asarco to receive and treat zinc-plant residues of Anaconda under this agreement depends upon a continued ore supply for the East Helena plant of Asarco adequate for general smelting operations, and that, should the situation of said East Helena plant in relation to such ore supply so change as to make it unprofitable for Asarco to receive and treat the full tonnage of zinc-plant residues under this agreement (as a result of a discontinuance or gradual decline of shipments and deliveries of lead ore and concentrates to said East Helena plant from large shippers such as Asarco mines and mills through diminishing mine output or termination of contract), Asarco may, upon a showing of such a changed condition satisfactory to Anaconda, cancel that part of this agreement which relates to the treatment of residues and lead concentrates on one year's notice to Anaconda; provided, however, that in lieu of such cancellation Anaconda

may, if it so elects, require Asarco to receive and treat such tonnage of zinc-plant residues less than the full tonnage thereof as Asarco's then current ore supply may allow it to receive and treat at a profit.

(b) It is also agreed that should the bag-house fume containing the zinc recovered by Anaconda from the slag currently produced by Asarco increase in impurity content as a result of treatment by Asarco of materials not supplied by Anaconda to a point where the fume cannot be treated in the electrolytic zinc plant of Anaconda at Great Falls, Montana, without serious detriment to and serious addition to cost of the operation of said plant, Anaconda may on sixty (60) days' notice to Asarco discontinue the acceptance, purchase or treatment of slag without penalty to Anaconda until the fume produced from current production of slag is lowered in impurity content to approximately that of the fume being produced at the time this agreement is made.

(c) In the further event that Asarco shall elect to cancel that part of this agreement relating to the treatment of residues and lead concentrates as permitted in sub-clause (a) of this

clause 29, Anaconda may cancel the balance of this agreement effective as of the effective date of such cancellation by Asarco.

30. Taxes: Federal and State taxes in respect to the metals purchased hereunder or in respect to the production, extraction, sale, disposition, transportation, returns or proceeds thereof, which are in the nature of specific impositions upon the business or production or income of Asarco shall be payable by Asarco and if collected from Anaconda may be charged as a deduction from the amounts payable by Anaconda hereunder. But such taxes which are in respect to the metals purchased hereunder or in respect to the production, extraction, sale, disposition, transportation, returns or proceeds thereof, which are in the nature of specific impositions upon the business or production or income of Anaconda, shall be payable by Anaconda, and if collected from Asarco may be charged as a deduction from the amounts payable by Asarco hereunder.

31. Definitions: The term "ton" as used in this agreement means two thousand (2,000) pounds avoirdupois. The term "pound" means a pound avoirdupois. The term "ounce" means a troy ounce. The term "unit" means one per cent (1%) of a ton or twenty

(20) pounds. "Date of delivery" in respect to the residues and lead concentrates shall be understood to mean the date of receipt of the last car of each lot at the plant of Asarco. The "date of delivery" referred to in clause 21 and clause 24 hereof shall be the date that the slag delivered hereunder shall be weighed at Anaconda's slag treatment plant.

32. Notices: Any notice provided for in this agreement shall be given by one party to the other by registered mail addressed to the office of Asarco at East Helena, Montana, or the office of Anaconda at Great Falls, Montana, as the case may be, and notice shall be construed to be complete at the time of so mailing any such notice or letter.

33. Covenants: This agreement shall bind and inure to the benefit of the parties hereto, their successors and assigns, and shall be a covenant running with the land.

The provisions of this agreement in respect to slag shall be deemed and considered as a covenant existing and running with the East Helena plant of Asarco, as now owned and as added to during the term of this agreement, and as a covenant existing and running with the slag treatment plant owned by Anaconda on the site of Asarco at East Helena;

furthermore, Asarco and Anaconda each agree that in case of the sale of Asarco's plant at East Helena, or of the aforesaid slag treatment plant of Anaconda at East Helena, or if either of the parties should sell all or substantially all of their properties and assets they and each of them will in each case cause their respective successors and assigns in interest to carry out all of the terms and conditions of this agreement without, however, releasing the original parties hereto.

34. Arbitration: In the event of any disagreement between the parties hereto respecting the performance or non-performance of this agreement or of any provision thereof or respecting the interpretation or construction of any such provision or respecting the liability of either party hereto to the other under the provisions hereof, such disagreement shall be submitted, on the written request of either party to the other, to three (3) arbitrators, one to be named by each party hereto, and a third to be named as hereinafter provided. Within fifteen (15) days from the date of such request, each party hereto shall name an arbitrator by notice in writing to the other party hereto. If either of the parties should fail within said period

of fifteen (15) days to name an arbitrator or shall within said period of fifteen (15) days fail to notify the other party hereto as aforesaid, the other party shall be entitled to name said arbitrator also at any time after such fifteen (15) days, upon notice in writing to the party hereto who should have named said arbitrator.

The third arbitrator shall be agreed upon by the parties hereto, or in case of failure to agree, then to be appointed by the President for the time being of the American Institute of Mining, Metallurgical and Petroleum Engineers, provided he be not an official of or employed by Anaconda or Asarco or any of their respective subsidiary companies, in which case the third arbitrator shall be appointed by the next highest official of said American Institute of Mining, Metallurgical and Petroleum Engineers, provided he be not an official of or employed by Anaconda or Asarco or any of their respective subsidiary companies.

In the event that any arbitrator so named (either original or successor) shall die or for any reason whatsoever shall become unable to act or continue to act as such arbitrator or shall withdraw from the arbitration or shall refuse, fail or neglect with reasonable diligence to proceed therewith, a

successor to such arbitrator shall be appointed in the same manner as is hereinbefore provided in respect to the naming of such arbitrator.

The decision or award in writing of a majority of the three (3) arbitrators shall be final, conclusive and binding upon the parties hereto.

The cost of each such arbitration shall be borne as determined by the arbitrators. The arbitrators or a majority of them shall specify the rules and regulations for the conduct of the arbitration.

17/2/60

35. Effective Date and Duration: This agreement shall take effect and commence on April 1, 1958, and its terms and provisions shall apply to all residues and lead concentrates delivered by Anaconda to Asarco and to all slag delivered by Asarco to Anaconda or purchased by Anaconda from Asarco at the plant of Asarco at East Helena, Montana, on and after that date; it shall remain in effect to and including December 31, 1970, except as otherwise provided herein. Effective as aforesaid, this agreement shall supersede the Residues and Lead Concentrates Agreement and the Slag Agreement, which Agreements are hereby terminated and canceled effective

at midnight on March 31, 1928, except that that they shall govern all settlements between the parties with respect to residues, lead concentrates and slag delivered or purchased thereunder before that time.

IN WITNESS WHEREOF, the parties hereto have caused their corporate names to be signed hereunto and their corporate seals to be affixed by their officers in that behalf duly authorized, as of the day and year first-above written.

AMERICAN SMELTING AND REFINING COMPANY

By _____

Attest:

David H. Hume
Secretary

THE ANACONDA COMPANY

By *Chas. H. Hume*

Its Vice President

Attest:

David H. Hume
Secretary

SCHEDULE "A"

CURRENT SLAG: Illustrating the application of the formula in clause 21 to various zinc assays of current slag at different zinc quotations based on a cost of employment at the East Helena plant of the Copper Company of fourteen dollars and no cents (\$14.00) per eight-hour day and a cost of coal f.o.b. the East Helena plant of the Copper Company of seven dollars and twenty-five cents (\$7.25) per ton.

TREATMENT CHARGE PER TON OF CURRENT SLAG:

<u>Zinc Price</u>	<u>Z I N C A S S A Y S -</u>							
	<u>8%</u>	<u>9%</u>	<u>10%</u>	<u>11%</u>	<u>12%</u>	<u>13%</u>	<u>14%</u>	<u>15%</u>
7¢	\$2.0000*	\$2.0000*	\$2.0000*	\$2.0000*	\$2.0000*	\$2.0000*	\$2.0000*	\$2.0763
8¢	2.0000*	2.0000*	2.0000*	2.0000*	2.0000*	2.1865	2.4999	2.8134
9¢	2.0000*	2.0000*	2.0000*	2.0925	2.4570	2.8215	3.1860	3.5505
10¢	2.0000*	2.0000*	2.2100	2.6255	3.0410	3.4565	3.8721	4.2876
11¢	2.0000*	2.1638	2.6231	3.0823	3.5416	4.0009	4.4601	4.9194
12¢	2.0301	2.5331	3.0362	3.5392	4.0422	4.5452	5.0482	5.5512
13¢	2.3558	2.9025	3.4493	3.9960	4.5428	5.0895	5.6363	6.1830
14¢	2.6814	3.2719	3.8624	4.4528	5.0433	5.6338	6.2243	6.8148
15¢	3.0070	3.6412	4.2755	4.9097	5.5439	6.1781	6.8124	7.4466
16¢	3.2783	3.9490	4.6197	5.2904	5.9611	6.6317	7.3024	7.9731
17¢	3.5497	4.2568	4.9640	5.6711	6.3782	7.0853	7.7925	8.4996
18¢	3.8210	4.5646	5.3082	6.0518	6.7954	7.5389	8.2825	9.0261
19¢	4.0924	4.8724	5.6525	6.4325	7.2125	7.9925	8.7726	9.5526
20¢	4.3637	5.1802	5.9967	6.8132	7.6297	8.4461	9.2626	10.0791

* Minimum treatment charge under which Smelting
Company shall not be obligated to sell (Clause 21(b))

SCHEDULE "B"

(Effective up to and including December 31, 1960)

DUMP SLAG: Illustrating the application of the formula in clause 24 to various zinc assays of dump slag at different zinc quotations based on a cost of employment at the East Helena plant of the Copper Company of fourteen dollars and no cents (\$14.00) per eight-hour day and a cost of coal f.o.b. the East Helena plant of the Copper Company of seven dollars and twenty-five cents (\$7.25) per ton.

PURCHASE PRICE PER TON OF DUMP SLAG:

<u>Zinc Price</u>	<u>Z I N C A S S A Y S -</u>							
	<u>8%</u>	<u>9%</u>	<u>10%</u>	<u>11%</u>	<u>12%</u>	<u>13%</u>	<u>14%</u>	<u>15%</u>
7¢	\$2.0000	\$2.0000	\$2.0000	\$2.2000	\$2.4000	\$2.6000	\$2.8000	\$3.0000
8¢	2.0000	2.0000	2.0000	2.2000	2.4000	2.6000	2.8000	3.0000
9¢	2.0000	2.0000	2.1325	2.5388	2.9450	3.3513	3.7575	4.1638
10¢	2.0000	2.4575	2.9450	3.4325	3.9200	4.4075	4.8950	5.3825
11¢	2.6200	3.1888	3.7575	4.3263	4.8950	5.4638	6.0325	6.6013
12¢	3.2700	3.9200	4.5700	5.2200	5.8700	6.5200	7.1700	7.8200
13¢	3.9200	4.6513	5.3825	6.1138	6.8450	7.5763	8.3075	9.0388
14¢	4.5700	5.3825	6.1950	7.0075	7.8200	8.6325	9.4450	10.2575
15¢	5.2200	6.1138	7.0075	7.9013	8.7950	9.6888	10.5825	11.4763
16¢	5.8700	6.8450	7.8200	8.7950	9.7700	10.7450	11.7200	12.6950
17¢	6.5200	7.5763	8.6325	9.6888	10.7450	11.8013	12.8575	13.9138
18¢	7.1700	8.3075	9.4450	10.5825	11.7200	12.8575	13.9950	15.1325
19¢	7.8200	9.0388	10.2575	11.4763	12.6950	13.9138	15.1325	16.3513
20¢	8.4700	9.7700	11.0700	12.3700	13.6700	14.9700	16.2700	17.5700

SCHEDULE "C"

(Effective on and after January 1, 1961)

DUMP SLAG: Illustrating the application of the formula in clause 24 to various zinc assays of dump slag at different zinc quotations based on a cost of employment at the East Helena plant of the Copper Company of fourteen dollars and no cents (\$14.00) per eight-hour day and a cost of coal f.o.b. the East Helena plant of the Copper Company of seven dollars and twenty-five cents (\$7.25) per ton.

PURCHASE PRICE PER TON OF DUMP SLAG:

<u>Zinc Price</u>	<u>Z I N C A S S A Y S -</u>							
	<u>8%</u>	<u>9%</u>	<u>10%</u>	<u>11%</u>	<u>12%</u>	<u>13%</u>	<u>14%</u>	<u>15%</u>
7¢	\$1.0000	\$1.0000	\$1.0000	\$1.2000	\$1.4000	\$1.6000	\$1.8000	\$2.0000
8¢	1.0000	1.0000	1.0000	1.2000	1.4000	1.6000	1.8000	2.0000
9¢	1.0000	1.0000	1.1325	1.5388	1.9450	2.3513	2.7575	3.1638
10¢	1.0000	1.4575	1.9450	2.4325	2.9200	3.4075	3.8950	4.3825
11¢	1.6200	2.1888	2.7575	3.3263	3.8950	4.4638	5.0325	5.6013
12¢	2.2700	2.9200	3.5700	4.2200	4.8700	5.5200	6.1700	6.8200
13¢	2.9200	3.6513	4.3825	5.1138	5.8450	6.5763	7.3075	8.0388
14¢	3.5700	4.3825	5.1950	6.0075	6.8200	7.6325	8.4450	9.2575
15¢	4.2200	5.1138	6.0075	6.9013	7.7950	8.6888	9.5825	10.4763
16¢	4.8700	5.8450	6.8200	7.7950	8.7700	9.7450	10.7200	11.6950
17¢	5.5200	6.5763	7.6325	8.6888	9.7450	10.8013	11.8575	12.9138
18¢	6.1700	7.3075	8.4450	9.5825	10.7200	11.8575	12.9950	14.1325
19¢	6.8200	8.0388	9.2575	10.4763	11.6950	12.9138	14.1325	15.3513
20¢	7.4700	8.7700	10.0700	11.3700	12.6700	13.9700	15.2700	16.5700

SILVER SCHEDULE

1. This schedule shall be applicable to the silver content of the Seller's product qualified for delivery to coinage Mints of the United States under Act of Congress approved July 31, 1946, and applicable Regulations, whereby silver mined subsequently to July 1, 1946, from natural deposits in the United States or any place subject to the jurisdiction thereof may be tendered to a Mint within one year after the month in which the ore from which it is derived was mined in exchange for standard silver dollars coined from 70 per centum thereof (or silver certificates or any other coin or currency of the United States in an amount in dollars equal to such standard silver dollars.), the remaining 30 per centum, with the consent of the owner, to be deducted and retained by the Mint as seigniorage for services performed by the Government relative to the coinage and delivery of standard silver dollars.

2. Accordingly, for the period of the principal agreement (to which this schedule is attached) during which the Anaconda Company shall have the right under said Act of Congress and applicable Regulations to exchange the silver contents of the Seller's product for standard silver dollars representing 70 per centum thereof (or an equal amount in other coin or currency of the United States), the payment for silver to be made to the Seller shall be ninety cents (90¢) per ounce, being the approximate value per ounce of the standard silver dollars or fractions thereof receivable by the Anaconda Company upon such exchange, adjusted to the equivalent value of silver .999 fine and to cover cost of delivery and expense of meeting requirements and conditions prescribed for acceptance at the Mint.

3. Settlement for silver on the basis of 90 cents per ounce, which is the Mint price referred to in the principal agreement, shall be subject nevertheless to the deductions specified in said principal agreement, and to the condition that the Seller shall furnish the Anaconda Company all such certificates, affidavits, or other proofs and reports as may be required from time to time to qualify the entire silver content of the Seller's product for delivery to the Mint under said Act of Congress and all applicable Regulations; payment by the Anaconda Company on the basis of the Mint price to be subject also to final acceptance by the Government of the silver covered by the Seller's affidavits.

4. The silver content of the Seller's product shall be tendered to the United States Mints by the Anaconda Company as promptly as practicable, that is to say, as soon as may be consistent with operating conditions and Governmental requirements, unless the Seller shall elect to receive payment for said silver on the basis of the Handy and Harman New York quotations for foreign silver specified in the principal agreement, in which event this schedule shall not become applicable thereto, and payment on said basis shall be final.

5. In the event that, for any reason whatsoever the Government shall refuse to accept the silver covered by the Seller's affidavit, or the entire silver content of the Seller's product shall not be qualified for delivery to the United States Mints, the price payable for the silver content of the Seller's product shall be based upon the average of the Handy & Harman New York quotations for foreign silver for the thirty (30) quotational days following the date of such refusal, or following the date when the Anaconda Company shall finally notify the Seller that said silver content is not qualified for delivery to the United States Mints under said Act of Congress and applicable Regulations, whichever date shall sooner occur; and the Seller shall refund to the Anaconda Company the amount by which the price paid to the Seller for silver under this schedule shall be in excess of the amount payable on the basis of said quotations; and furthermore, if the Mint price per ounce payable in respect to silver covered by the Seller's affidavit, at the time of tendering the same to the Mint, shall be less than the Mint price per ounce on the basis of which payment shall